
QUESTIONS CHAPTER FOURTEEN

1. As vice president of research for a large international agency headquartered in New York, you have been asked to prepare a report in the changing promotion environment including how each of the major trends will affect the role of promotion in the agency's clients' marketing plans. Of particular importance was the need for a discussion of how these trends would affect the various promotion components, the various media types, and the size of the clients' promotion budget.
2. IBM does a substantial amount of television advertising for its various computer products. On the other hand, Cray Research—the most successful builder of the supercomputers used by government agencies, the U.S. Weather Service, and large scientific research organizations—does no TV advertising. In fact, Cray does very little advertising of any kind. Instead, the firm relies on the efforts of a small sales force. Why do the two firms pursue such different *promotion strategies*?
3. You are the marketing manager for a major airline. How would you vary the emphasis among the *tools in your promotion mix* when designing promotional strategies for (a) individual consumers who travel for pleasure and (b) corporate travel departments that select the airlines to be used by company employees?
4. Suppose you are the advertising manager of a large insurance company that has just developed a new policy designed to protect against hurricane losses. You ask your agency to help develop a copy platform for this new policy. What should be included and from what source will the required information come?
5. Several years ago a railroad company conducted a corporate promotional campaign involving extensive advertising on prime-time television. Because the firm offered virtually no consumer products or services, was such a campaign justified? What objectives might the firm have been trying to accomplish?
6. What media would you recommend using as your primary buy for each of the following situations?
 - a. A small ice cream retail chain selling premium products.
 - b. A consumer electronics firm selling sophisticated and relatively expensive equipment.
 - c. A large home-appliance company selling such major units as refrigerators, stoves, washing machines, and dryers.
 - d. A laundry detergent firm selling several brands of such a product.
7. Given the increased “noise” on TV, coupled with increased costs, more and more advertisers are struggling to find nontraditional media and ways of using them. One of these is the World Wide Web, which is experiencing considerable usage as an advertising medium, although much of it is largely experimental. What are some problems retailers may face in using the WWW? What problems might wholesalers/professional services face? Capital equipment?
8. The advertising manager for a large firm asked you—the marketing vice president—to approve a \$500,000 *increase in the advertising budget* for one of the company's products. She predicts that the additional advertising will produce a \$2 million increase in the product's sales. What additional information would you ask for before making a decision?

- 9.** An automobile company sets the advertising and promotion budget for one of its car lines by allocating a fixed number of dollars for each car it forecasts will be sold in the company year. What are the advantages and limitations of this approach to determining a promotional budget?
- 10.** In recent years, many large U.S., European, and Japanese advertising agencies have acquired smaller agencies or established subsidiaries in other developed countries. This merger activity enables large agencies to gain the expertise needed to adapt the advertising campaigns of their large multinational clients to the unique characteristics of different national markets. Why are advertising campaigns often less standardized across countries than are the products they promote? What factors should be taken into account when adapting a campaign to consumers in another country?
- 11.** You have been hired by a large international advertising agency to help them develop a code of ethics that would apply to the products they handle, the audiences targeted, the messages developed, the media selected, and the marketing research conducted. What would be your recommendations?